



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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October 8, 2013

To: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over a horizontal line.

## **AB109 FUNDING OF TAFT COMMUNITY CORRECTIONAL FACILITY CONTRACT TO FACILITATE INCREASING THE PERCENTAGE TIME SERVED BY M-7 INMATES (ITEM NO. 31 AND 32-E, AGENDA OF SEPTEMBER 24, 2013)**

On September 24, 2013, the Board of Supervisors received and filed the Sheriff's Department (Sheriff) implementation plan to increase the percentage of time served by locally sentenced M-7 inmates. Given the significant impact that Public Safety Realignment has made on the jail population, the Sheriff indicated that additional jail capacity would be required. The jail beds would be made available through the transfer of non-serious, non-violent, non-sexual (N3) inmates out of local jail beds and into the fire camps and Taft Community Correctional Facility (Taft). During the discussion, Supervisor Yaroslavsky requested the Chief Executive Office (CEO) to report on how the Taft contract would be funded.

We are recommending funding the first year of the Taft contract using the AB109 reserve. The subsequent contract years will be funded from the County's allocation of AB109 "Prior Year Growth" revenue. In the unlikely event that AB109 revenue is insufficient, additional net County cost will be required for the contract.

### Background

The Sheriff initially proposed the Taft contract during Fiscal Year (FY) 2012-13 and allocated \$9.4 million within the AB109 budget, anticipating an October 2012 implementation date. However, the proposed contract was eventually referred back to the Sheriff. The Taft funding allocation was subsequently used to offset N3 custodial funding shortfalls. In FY 2013-14, the AB109 Taft allocation was repurposed to mitigate

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the ongoing N3 custody funding shortfalls since the Taft contract was not expected to be submitted to the Board for approval.

#### AB109 Reserve

During FY 2012-13, the Probation Department (Probation) realized approximately \$10 million in savings due to delays in the hiring process. Probation's FY 2013-14 AB109 budget is sufficiently funded to support ongoing operations and the prior year savings will not be carried over. Instead, Probation's savings will remain in the trust account designated exclusively for AB109 services and will be available as a contingency reserve to any AB109 department that can justify the need for additional funding.

A recommendation will be made during FY 2013-14, as part of the Sheriff's quarterly budget adjustments, to fully fund the Taft contract from the AB109 contingency reserve since this cost was not anticipated during the Supplemental Budget. Until such time, the Sheriff will submit claims for the Taft contract to the CEO and Auditor-Controller, as-is the existing AB109 protocol, and be reimbursed from their current AB109 funding allocation.

#### AB109 Prior Year Growth Revenue

In 2011, the State Department of Finance (DOF) developed a multi-year AB109 budget based on projected sales and Vehicle License Fee (VLF) revenue. Commencing with FY 2012-13, counties will receive any sales tax and VLF revenue that exceeded the DOF's AB109 budget estimate. This revenue will be received during September/October following the close of the fiscal year. We are recommending that the Taft contract's ongoing costs be funded annually using this revenue source.

WTF:GAM:SW  
DT:cc/llm

c: Executive Office, Board of Supervisors  
County Counsel  
Sheriff  
Auditor-Controller  
Probation